

**NORTH PARK REDEVELOPMENT
PROJECT AREA COMMITTEE (PAC)
SPECIAL MEETING MINUTES**

Saturday, February 19, 2011

North Park Lyric Opera (Board Room), 2891 University Avenue, San Diego, CA
92104

Comments and PAC actions relating to items on today's agenda are noted herein.

I. ROLL CALL & INTRODUCTIONS

The Vice-chair convened the meeting at 11:05 a.m.

Kirsten Clemons	Absent	Judi O'Boyle	Present
Patrick Edwards	Present	Lachlan Oliver	Present
Don Leichtling	Present	Robert Steppke	Present
Roger Lewis	Present	Mark Stern	Present
Valerie Loy	Present	James Tinsky	Present
Lucky Morrison	Present	Mary Wilkinson	Present

II. ADOPTION OF AGENDA

Motion (Leichtling/Oliver): *To adopt the special meeting agenda as presented.*
Passed (11-0-0)

III. PUBLIC COMMENT

Lewis announced he would be running for the position of board chair.

IV. CHAIR'S REPORT

Vice-chair had noting to report.

V. ACTION/DISCUSSION ITEMS

A. Recommendation on Projects to be Included in the Proposed Cooperation Between the City of San Diego and the Redevelopment Agency.

Stern and Oliver asked to clarify and it was understood that actions taken at this meeting to prioritize are only for/and if the PAC goes away; motions are only validated if the PAC goes away. Lengyel passed out supporting documentation and went through a concise overview of the current governor's budget proposal. He then detailed a current proposal, (the focus of the meeting today), that would provide guidance to the agency board upon the importance and prioritization of pending and future projects in North Park. Lengyel noted that debt obligations in place would continue to be met by the city from existing increment. He noted the prioritization could be revolving, such that a project not going forward or on hold could be passed over for the purpose of addressing the next ordered project. He also noted the PAC should consider the issue of maintenance as a potential impediment to a project being funded

such as with any proposed park or landscaping project. Stern and Oliver asked question about the preferred way or prioritizing. Lengyel answered that the current projects encumbered have been accounted for in the entire list and that potential for funding all is likely possible. Steppke suggested identifying a high few or a high grouping of a few. Lewis suggested the PAC consider projects by category. Wilkinson asked to talk about public infrastructure last given that much being put forward is out of major intent of PAC funding. Lewis suggested there is a value to specifically identifying high priority projects, independent of their year. Morrison asked if the PAC would be considering supporting the cooperation agreement idea. O'Boyle answered that she preferred it be considered at the end.

Housing Set Aside: Lengyel started off with a review of the 20% set aside component based upon the spread sheet provided to the PAC by categories. Morrison asked how reasonable it was to assume projects could be funded for the full years out. Lengyel noted that this effort may work, it may not.

Public Comment: Housing projects. Public observation that the catch all category is at least there for future project. Director of Community Housing Works asked the PAC to consider Florida as a high priority. The owners of Mosaic asked how the projected figures were calculated. Lengyel said they came from a 20% amount coming from projected increment over the anticipated number of years

PAC Discussion: Lewis noted this effort may not be that relevant as the projects would come from the NOFA fund as NP set aside funds are already expended. Lengyel noted funds can only as they come in. There was some general question about the pooled funding in relation to the fact that projects now for NP would be from the pooled 20% money as NP has expended it's 20% set aside. Lengyel confirmed that the building of units is only required if the area is unit deficient but the money is always set aside over future years. Stern clarified that it comes down to just prioritizing between the HELP and Multi-help project. Steppke asked for quick over view of proforma of HELP and Multi-help. Lengyel noted the restriction or rental cap on the multi-HELP is for 5 years and suggested considering a greater ratio to single residential (HELP) like 2/3 of the collective total. Stern, however, spoke up in favor for tenant improvements suggesting that owners have more inducement to invest because of their stake in property and the availability of money for income properties is of high value. Wilkinson agreed noting that some residential rentals are deficient in heating and other simple but important things. Oliver felt that short term appropriations really needs to be the focus. Stern noted there were 500 non-owner properties, not counting doors, in North Park. O'Boyle offered a base motion that items listed 1, 2 & 3 become the high priority affordable projects/programs

Motion (O'Boyle/Wilkinson): *The dollar amount allocations to remain the same in the housing category and that the existing top three listed, (items 1,2 &3), in the spreadsheet are highest priority items and then the HELP and multi-HELP programs, (items 4 & 5), appropriations for future year categories get next priority and their long range implementation (last item listed) as last priority.*

Discussion: None further.

Passed (11-0-0) Opposed:

Admin and Assets: Lengyel and PAC then moved in this area of discussion.

Motion (Leichtling/Tinsky): *The first and third listed project/programs are of highest priority and the second and fourth listed as moderate (next priority).*

Community Discussion: None

Discussion: Lewis raised concern over no funding appropriations for the community space. Lengyel noted that was under a following category. Edwards noted that part of the requirement and success of that project was for then community room and necessity for it being built out. Lewis asked motion maker to consider just prioritizing the community space as it is not built yet and Oliver and Wilkinson agreed.

Passed (8-2-1) Opposed: Stern, Edwards Abstain: Steppke - motion not clear.

Commercial Business and Residential Assistance: PAC next moved into discussion of commercial business and res. assistance expenditures.

Community Discussion: Sarah Iskar, development consultant for 31st LLC, noted their concern over availability of future funding for their future "2nd" phase including a parking structure. Owners of Mosaic asked about the gap in funding years for graffiti abatement. Jay Tuner, noted that in general an applicant coming in is helped by the indication of the requirements for building. There was a question of where potential funding for commercial in the next few years was addressed in the spreadsheet being worked off.

Discussion: Stern expressed support for a general allocated commercial pot that provides further possibility for projects like a future project related to 31st LLC phase and the green criteria for commercial improvements requests in the future, restated it as a concern over the ambiguity showing that all commercial projects to come under one identified project. Morrison asked if graffiti was a line item under MAD. Steppke indicated that is. Leichtling asked for a transfer of \$400,000 from commercial "green" appropriation to graffiti abatement for years 2012-2016. Lewis noted that the PAC could move to assure that all projects of commercial nature must go through the green program requirement for all future applications. Oliver and Tinsky supported, saying that the criteria are essential to meeting the intent of future commercial assistance. Lewis asked suggested that the 2012 class cap for funding be moved to 2013 to allow for any funding currently set for a project be coming available in the allotted. Lewis suggested the PAC consider giving higher priority only to those projects which contain a public direct asset/program component.

Motion: (Stern/Wilkinson) *PAC requests 1) then end date for Item 2 be extended to 2013, 2) change the name of item 5 to 'Sustainable Commercial improvement Program' and all further commercial funding meet the minimum criteria according to the program policy, 3) Items 2, 3 & 5 as high priority programs/projects 4) item 4 as mid-priority, and 5) items 1 & 6 as low priority.*

Discussion: Multi board discussion on proposed motion. Lewis asked PAC to consider project/programs with public component as high priority in the decision versus the larger commercial projects. Oliver supported the public nexus projects over the sole commercial projects.

Passed (6-5-0) Opposed: Edwards, Steppke, Loy, Morrison, Leichtling

[12:40 p.m. Vice-chair O'Boyle left the meeting. Secretary Lewis took over the chair and Tinsky as secretary]

Public Facilities Improvements: PAC next moved into discussion of public facilities

Motion (Steppke/Leichtling): *To recommend as highest priority the completion of the Renaissance community space and the improvement to the Elder Help building.*

Discussion: Owners of Mosaic asked for background on the delays in implementing these related improvements and Lengyel explained the Elder Help had not yet been to council for approval.

Passed (10-0-0) Opposed:

Parks and Open Space: PAC next moved into discussion of parks and open space and Lengyel and Lewis explained the process to date.

Discussion: Jay Turner, former Exec. Dir. Of Main Street, noted he recalled the theater park/street improvements project beginning back in 2003 and raised concern with the time it has taken to date with no plans completed. Lengyel explained one holdup to funding the construction allocation due to not having a body responsible for maintenance identified but that the design has been funded and we are waiting for that process to begin. Turner asked if there were new requests for changes to existing designs, (29th St), would delay the project and if adding a stage would increase cost. Lewis noted the PAC had previously tried to encumber the \$1.4M funding allocation for construction but currently only the design funding has been encumbered. The concern at this point is assuring there will be money to start building the park and noted other potential sources to fund aspects of the projects such as the NEA grant are being pursued. He noted that only the WRT plan for 29th St represented community design so far. Oliver inquired as to a timeline on how park will proceed, meetings, architect, etc. Lengyel noted the design process was to have started last month but hadn't yet and anticipated construction should be ready to start in 2013 noting an architect hasn't been commissioned. Lewis noted the project has been in the city's hands for the Community process to be led by MIG design firm for the past four years.

Motion (Leichtling/Steppe): *To recommend Items 1 & 2 be high priority projects for funding.*

Passed (10-0-0) Opposed:

Plans and Studies: The PAC next moved into review and discussion of plans and studies.

Discussion: Lewis suggested the PAC rate the only item in this group and previously approved arts plan of high priority. Stern asked what impact he we were to budget it for 2012. Lewis supported, noting that given the low cost relative to all other projects and the importance to the community that we not risk losing it.

Motion (Stern/Leichtling): *Give high priority to funding the item (Item 1) under Plans and Studies and move the timeline up to begin in 2012.*

Passed (10-0-0) Opposed:

Public Infrastructure: The PAC then began discussion into review of public infrastructure projects.

Discussion: Lewis noted that some proposed projects extended far into the future Lengyel informed the PAC that many items had been pulled from the District Three infrastructure needs study and indicated further that if items don't get funded from the PAC then likely the 17% will stay in city general fund. Lengyel encouraged us to fund the improvements list here so it remains in North Park and not spread throughout the entire city. Lewis sought more definite clarification. Lengyel said there were no guarantees. Bob Bauer spoke in favor of the expenditure of funds on infrastructure noting that blight can easily be attributed to the quality of streets, sidewalks and plumbing making the point that fixing core infrastructure is key to mitigating blight. Sara

Iskar, 31st.LLC, said they intend to complete item 5 on the list by 2012 and was concerned that the funding wasn't appropriated until much later. David Cohen, West Coast, raised the concern on Item 1 project if the land gets turned over to the state, what happens to the easement. Lewis assured that the property was a city asset. Lengyel noted that 5 star getting is getting bids for enclosure now. Leichtling stated his belief that public infrastructure is huge and mentioned it was best for us to prioritize the undergrounding of power poles. Lewis stated his belief that maintenance is the responsibility of the city from it's general fund, that maintenance is not a lawful use of project area funding, and that if the PAC moves to pay for this maintenance and redevelopment does go away, the money that would be returned to the city would go into the general fund for just this type of deferred maintenance and we would be paying for it twice. Oliver stated that if don't fund it, it will get worse regardless. Stern stated if the PAC is going to spend money on infrastructure then we should prioritize. Morrison agreed with Lewis position noting that street lights could be a possibility but at some point the city should assume it's responsibility if it's receiving what used to be project area funds. Edwards asked about the ADA improvements listed noting as they are required by law he suggested CDBG Funding should cover this and asked why the agency put these items into the list?

Lewis, as chair, suggested the PAC try to work towards consensus to form a motion rather than propose and contend potentially a number of motions given all the items. Leichtling spoke for items 1 & 3. Steppke informed that the planning committee has heard a lot of talk about Kansas St. and 30th St. improvements as well as North Park Way. Stern asked Lengyel that if any of these infrastructure project weren't to make the list could the PAC allocate funds elsewhere with the years it's being projected. Lengyel answered the PAC could do that. Clarifying further he stated that for those items at end of the list, (years out), projected funding would be through the expected tax increment, not from tax exempt bonding limiting the use. Lewis noted he was hearing there was strong support for items 1, 3, 5 & 7. Oliver noted he could not support item 7 because he is not familiar with this and like proposed projects. Leichtling said he wouldn't support unless item 7 was included. Lewis asked the committee to try to work towards a motion that elements could be agreed upon to avoid having many up and down conflicted motions.

Motion (Leichtling/Wilkinson): *That items 1, 3, 5 & 7 be given high priority for funding.*

Passed (8-1-1) Opposed: Oliver Abstaining: Tinsky – not familiar with Kansas St project.

Stern suggested we continue on and finish with medium and low prioritization. Jay Turner spoke to the point that it makes more sense to be realistic than right and his thinking the city is not just going to fix these issues, that the PAC is court of last resort on these issues. Bob Bauer stated his belief the allocation of money for multi-family units is not unlike infrastructure improvements the city can't do because neither the landlord nor the city can afford to make these cities.

Lewis stated his earlier point again that the city is sending general fund projects to the PAC and asked the PAC to consider where else the city will spend the money if the money goes to the city instead of the PAC. Leichtling agreed with comments supporting infrastructure allocations reasoning North park would accept more low mod housing because we'd get more money for improvements. Stern asked the PAC to move away from discussing political and philosophical opinions and put together a medium list. David Cohen suggested we pick our lowest items then make the rest higher priority. Steppke said stimulating improvement requires infrastructure but we all know the city is shirking responsibility. Stern suggested 12-16 low priority.

Motion (Leichtling/Wilkinson): *That items 6, 8, 9 & 11 be given moderate priority for funding.*

Discussion: Jay Corrales asked if the PAC was saying it don't want to fund infrastructure. Owners of Mosaic if the PAC was going to re-allocate money.

Passed (9-0-0) Opposed:

[Wilkinson and Edwards left the meeting 1:56pm]

Stern suggested the PAC consider making a motion to reallocate the listed low priority infrastructure project money to other traditional programs as a compromise with those that didn't want any infrastructure to be supported at all. Lewis agreed and suggested the PAC consider potential programs but not try to set up percentages.

Motion (Lewis/Stern): *Request that the funding proposed in the agency list for Public Infrastructure items 2, 4, 10, 12, 13, 14, 15 & 16 be redirected/reallocated to the HELP, multi-Help programs, community and storefront improvement programs, and public facilities and parks.*

Public Comment: Jay Corrales said he thinks betting on the city fixing infrastructure is a bad idea. David Cohen said we shouldn't reallocate because it sends a bad message about the concern for infrastructure.

Passed (6-2-0) Opposed: Oliver and Loy

Overall Category Ranking: The PAC then began its final discussion into consideration of if/how the categories related in funding priority and how the inner ranking could be related.

Discussion: Oliver presented a preliminary ranking of the larger categories the rate the funding importance and an initial motion seconded by Stern. Stern rescinded second after re-clarification and the following motion was brought forth.

Motion (Oliver/Morrison): *To prioritize the categories of the Feb. 19, 2011 "Schedule of Projects" ranking from highest to lowest funding: 1) Parks & Open Space 2) Plans & Studies 3) Economic Business/Mixed Use (commercial) 4) Infrastructure 5) Public Facilities 6) Affordable Housing 7) Admin/Asset Management ... understanding that all like priority (high) projects/programs within a category are ranked before the next category's similar priority projects/programs are listed repeating on down through the mid and lower priority rankings.*

Defeated (4-4-0) In favor: Oliver, Stern (unable to provide remainder of vote breakdown)

Discussion: PAC members had brief discussion of status/inclusion of Affordable Housing (20% set aside) category in with the others.

Motion (Leichtling/Stern): *To prioritize the categories of the Feb. 19, 2011 "Schedule of Projects" ranking from highest to lowest funding: 1) Parks & Open Space 2) Plans & Studies 3) Infrastructure 4) Economic Business/Mixed Use (commercial) 5) Affordable Housing 6) Public Facilities 7) Admin/Asset Management ... understanding that all like priority (high) projects/programs within a category are ranked before the next category's similar priority projects/programs are listed repeating on down through the mid and lower priority rankings.*

Passed (5-3-0) Opposed: Oliver, Steppke, Morrison

VI. ADJOURNMENT

Motion (Oliver/Stern): *To adjourn at 2:35 p.m.*
Passed (8-0-0)